

**Reauthorization Subcommittee Meeting  
GO Conference Room, Kilroy Building, Sea Tac  
January 5, 2006, 1:00 – 3:00 p.m.**

Lead: Rodney Eng, (206) 684-8241  
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<b>Name</b>	<b>Organization</b>	<b>Phone</b>	<b>e-mail</b>
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If your name is not on Rodney's email distribution list, please contact him and he will add your name to the list. If you are interested in one of the task force groups, please contact the task force leader.

#### **Group 1: #s 5, 12, 14, 17 and 20 (Owner and Project Eligibility)**

Lead: Stan Bowman

*Had report by Stan at this meeting today*

Centralize Review Board Process for GCCM projects to go through. It will strengthen processes (schools and hospitals). There are ten or so GCCM projects a year (approximately). High of 12 to 14 and a low of 2. We are not talking about huge amount of projects for review.

- Is the owner capable?
- Is the project applicable to GCCM?

Stronger owner criteria should be looked at (more specific). There are four sections in the statute (we will look at them at the next task force meeting).

Project management requirements (look at criteria's):

- 39.10.115 (schools)
- 39.10.117 (hospitals)
- 29.10.070 (requirement on the owner)

Owner qualifications – strongly linked to expansion

- Define owners capabilities before GCCM project on board
- 39.10.061 Criteria statute based on dollar value not necessarily up with capabilities
- 39.10.061 owner determining which projects to use GCCM on (really fits into criteria)

Note to task force participants: Rodney wants a full report, then have discussion after the task force presentation.

- Not everyone doing GCCM has the qualified staff

#### Owner Orientation/Training Process

- Prior to using GCCM for a project
- Put something in statute governing body can know how to do it
- AGC and others partnered to do a nuts and bolts training in the past
- Can go back and hire someone (they can get up to speed and reapply)
- A lot of discussion regarding mandatory vs. nonmandatory orientation
- No census on this yet
- Could attend review board meetings so they know what they are getting into
- Some past 30% into the GCCM project, must have good justification

Mr. Palewicz stated that agencies have demonstrated that they know the process. Maybe agency approval to use GCCM (qualifications/criteria, further define).

Review Board is a third party review of the project.

Mr. Eng's observed that the Expansion Subcommittee thinks they are taking the lead on the Project Criteria, this implies expansion or contraction. He cannot attend twelve meetings per month. He wants to hear the abuses (are they widespread)? Why the GCCM project was was a bad one?

Ms. Keller said that each of these groups report back to the main body (CPARB). Small groups should discuss these things. Put together your schedule, plan, etc...for your Hospital Review Board (it is like a dress rehearsal for the main body. Some projects need assistance, etc...

Mr. Palewicz said that we should separate the two issues:

1. Individual Project
2. Processing GCCM

Ms. Deakins said that we should move away from blanket approvals for large entities.

Ms. Keller stated that we should look at a project for what it is. It may have a small dollar amount, but may still be appropriate.

Mr. Palewicz said that the smaller type projects have a wider range of contractors.

Ms. Keller said that there are a certain set of standards to be applied.

We need a more consistent approval process. It would be good to bring in outside reviewers and get other knowledge on the review and various skills and do this quarterly, so we tax the regular board members (strains the private industry membership of the main board).

Job Order Contracting (JOC)  
On our next agenda for Task Force #1

GCCM

Ms. Keller said that it is worthwhile to bring more than one opinion in regards to the GCCM dollar amount.

Better review process to get greater consistency and reauthorization

Mr. Lynch stated that the subcommittees can just report where they are.

Mr. Eng said that it is result oriented (concerned about getting a result). We have little time (by June 2006).

There is no centralized authorizing authority.

- Private sector on selection team for GCCM selection
- Centralized review process (for reviewing/approving specific projects; at some level get consistent data (some entity to monitor this) for the future; consolidate all review boards as one and have specialized subcommittees)
- Mandatory orientation of owners (all; more experienced/demonstrated and can help us run the orientations) before they apply to use the process

As contractor

- Feel better about going through a review board

Mr. Goldblatt said that University of Washington may have trouble with central authority for GCCM. We should not have thick reports, we just outline the criteria.

Mr. Lynch said that it is a two tier situation:

1. Larger users not
2. Smaller users will go through the process

Mr. Bowman preferred one procedure (board reviewing)

Mr. Lynch asked what happens to projects that get turned down by the review board?

Mr. Berry said it then ends up as a rehearsal for going to the City Council, etc...

Mr. Kommers stated that it will be a benefit to the Public Owners. Projects have to fall into Criteria e. This is a healthy process (you have to meet the standard)

Mr. Bowman said that public hearings/notices (some agencies don't do these). Central Board Review can streamline it. Only review right now is the court system.

#### Data Collection

Centralized body to house GCCM and criteria. How is the process working and who is utilizing it?

Concerns regarding overlap and connection into the other subcommittees

Project Primary – does project typically fall into tradition of GCCM project criteria? We are talking about an alternative public works process that needs to be used in a specific manner.

Mr. Palewicz stated:

- Neutral approval of projects
- Agencies not just approving for their own use
- Would not add another step in the process, it allows for streamlining
- Appeal to review board (we meet criteria in a big way, but don't meet the dollar amount)
- People using GCCM (long/detailed process; new users should be up to speed through orientation/training) that aren't experienced/qualified in it

Mr. Eng said:

- Orientation/Training
- Why can't criteria just be "Have you managed a GCCM project before?" They really need to experience it or have someone who has done it before and assist them
- Statute – sort of lose in this area. In 1994 not many had done GCCM projects.
- There are 105 projects with a pool of existing individuals experienced in GCCM

Mr. Lutz said that orientation/training should not be in lieu of experience.

Western Washington University, a couple years ago had a Lab Building (\$23 million, lump sum bid project). They had a sophisticated team that existed and knew how to do things, but no necessarily GCCM.

Mr. Eng stated that there are nuances/give and take at GCCM project level. Different relationships in the teaming approach, as opposed to adversarial approach. It doesn't always come across that way.

Ms. Keller said that it should not be intended as a training. Orientation should team that the process is out there or they can hire help.

Mr. Lynch said that a good entity will bring in good help for GCCM. Could be school district, hospitals, etc...

Mr. Goldblatt said that it is hard to write better language than what you already have.

#### Orientation

- Annual for owners, contractors, etc...
- Don't want it to be mandatory (should not say they are not qualified for GCCM)
- Mr. Bowman said:
  - The Review board could be responsible for holding/coordinating this. The board should have awareness of the issues to make decisions on

Mr. Lynch stated that the review board is two fold:

- Done GCCM in the past
- Prove to the Board they can bring in GCCM expertise for the project
- The Board can make some judgment on it

#### Two (2) Points

1. AE on GCCM Selection Committee (Reauthorization committee came to consensus on this matter)  
Is this a statutory change or best practice? Mr. Eng asked this task force to move forward with this (Reauthorization committee came to consensus on this matter)
2. Centralized review of projects/owners  
Approval by central review committee of owners/projects of GCCM.  
Review committee authorizes

Mr. Probart stated that it would be viewed as a take away and more process.

Mr. Eng said that the experience of the hospitals and school districts is a good body of evidence. The problem is possibly in selection of the project for GCCM:

- Bad selection of GCCM?
- Were they a good team? Experience vs. Performance
- Not sure it should be mandated

Mr. Lynch said the Legislature is looking for a consistent process to take pressure off of them. They are looking for broad based public policy.

Mr. Eng stated that we should not increase the burden on the administrative process.

Mr. Bowman said we should have the board streamline review of projects and review them four times per year only.

Mr. Eng said this could possibly get us where we need to go. The City of Seattle has done a total of 20 GCCM projects. Not projects expansion of this number. The char of the review board is to make sure the public money is managed correctly. We don't want to miss use public funds. Reauthorization is linked to expansion. The right process has to be in place and appropriate.

Mr. Bowman

- Review of Owners (Incorporated in review of the project)
- Some form of orientation for new owners

Mr. Lynch doesn't think we need another process.

Mr. Eng stated that orientation is not a statutory matter.

Mr. Kommers said that public owner's not good job for:

- Mentoring and/or
- Best Practices Manual (report) – should be shared with cities, etc...and provide mentoring
- There should be a communication vehicle for non-experience entities (other than orientation)

Mr. Probart said that if eligibility were expanded, then necessary to have orientation. Then they would be interested.

Mr. Eng spent time over the years with other owners to figure out what is and is not working. He spent half a day with Fred King at jurisdiction to consider using GCCM. They ultimately decided to go low bid. We should think about an entity tasked with this GA and/or CPARB? If we come up with this, think of the financial implications, will the state fund this? Will it be self sufficient?

Ms. Keller said that we should compile some things for individuals to consider in regards to the GCCM process or interested in it.

Mr. Bowman said that someone should develop guidelines/process for GCCM so it is dispersed appropriately?

Mr. Eng asked meeting attendees to give their names if they are interested in a task force.

**Group 2: #s 1, 4, 6, and 9 (MACC Group)**

Lead: John Palewicz

*No report at this meeting today.*

**Group 3: #s 2, 3, 7, 8, and 11 (Contractor)**

Lead: Ed Kommers or someone else

*No report at this meeting today.*

**Group 4: #s 10 and 13 (Qualification Issues)**

Lead: Paul Berry

*Have report by Paul at this meeting today.*

Two Issues:

- Questions critical to reauthorization – specific additional requirements established for contractor to be GCCM, want to not pursue this. Too few firms get opportunity (Reauthorization Subcommittee agreed to not pursue this).
- Question of whether or not standard of selection criteria for selection of GCCMs (rating, quite dramatic, substantial burden upon contractors; take some information and submit it for each selection). GCCMs: Ability to tailor project/selection process; standardization will limit this capability
  - Concern: Complication? No good and easy solution; Ongoing relationship between owners and GCCM (issue gets kicked over

Mr. Eng asked what do people lack that are not selected? How can contracts break into the market? Could be (what are the barriers – statute, training, size of project)? We are really just talking about GCCM eligibility. As an owner representative we should:

- Bring out the best GCCM process for a particular project (must look for different things)
- Some areas we could standardize (example: financial package). Can be a body that can be more standardized
- Criteria: Different situations (fees – measured differently depending on the project)

Mr. Berry:

- Universal or lack of universal requirement
- Recommended Practice:
  - Specific Criterion
  - Out to be a menu (structure of individual items on the menu; standards for items to select from)



Mr. Eng said the assigned team should have the GCCM experience. There are two recommendations, what is the pleasure of this subcommittee?

Mr. Lynch stated:

- Should or should not be specific criteria (does it limit new firms)?

Mr. Kommers asked we are still addressing the questions. We need to have flexibility.

Mr. Berry said that the criterion working to their limit more than they should now.

Mr. Eng doesn't believe we should specify format or any greater degree the qualification standards for the contractors.

Mr. Bowman said that there is a lack of diversity of contractors to do the work. More language in statute will not fix this.

Mr. Eng said the issue is one of lack of number of qualified GCCMs. Should we specify more criteria (which are self limiting)? Almost question of proposing may be size of the project).

Mr. Palewicz said if the criteria are appropriate, in state law is right (as an owner). Criteria are in regards to staff, skills, etc...what is best for the project.

Item #10 (GC/CM contractor eligibility) goes to task force #1 and Item #13 (Standardized RFP selection criteria) will go away.

Next meeting is First Thursday of next month from 1:00 – 3:00 p.m.

### **Meeting Adjournment**

The meeting was adjourned at approximately 3:10 p.m.

**Reauthorization Subcommittee**  
**Prioritized List of Issues that are a Barrier to Reauthorization**  
**Ranked by Raw Score<sup>1</sup>**

**Scores 15-30**

1. MACC contingency incentive prohibition (do not use a percentage of the MACC for incentive payments to GC/CM). The concern is that the GC/CM does not use the money for its intended purpose but holds it tightly to get a bigger payment at the end of the project. - **17**
2. Change Order Administration – **20**
  - a. Response time
  - b. Percentage markups
3. Standard Subcontract Agreement/Form - **21**
4. Timing for the setting of the MACC (Change to 95% CD) – **21**
5. Clarify definition of eligible projects and owners. Set standards requirements that must be presented prior to approval of a project (i.e. drawings, schedules, budgets, organization chart for owner's team, organization chart for contractor teams, etc.) – **21**
6. Uniformity in the use of MACC contingency – **21**
7. Rewrite subcontractor eligibility standards/requirements/qualifications RCW 39.10.061(a)-(h) - **23**
8. General conditions need to be better defined - **25**
  - a. Create a fee schedule for general conditions?
9. Unforeseen market conditions – **29**

**Scores 31-39**

10. GC/CM contractor eligibility - **31**
11. Elimination of subcontractor listing requirements (39.30.030) from 39.10.061(6) for sub-bids - **31**

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<sup>1</sup> Based on responses from 6 people. 4 people grouped issues and then set priorities for the groups. 2 people prioritized by issue. People's priorities were added together to produce raw score with following adjustments. For those who prioritized by issue, per suggestion of one, all priorities above 9 were given the same ranking of 10. For those who prioritized by group, one person did not rank all issues – unranked issues were all ranked at the next lowest issue.

- 12. A/E part of the GC/CM selection team - **32**
- 13. Standardized RFP selection criteria - **34**
- 14. Centralized approval of eligible projects and owners - **35**
- 15. Resolution of Expansion subcommittee issues - **37**
- 16. Mandatory periodic legislative evaluation process of alternative public works – **38**
- 17. Mandatory training for public agencies - widen eligibility of owners and # projects (expansion committee) - **39**

**Scores 40+**

- 18. User funded evaluations of projects - **41**
- 19. Ongoing data collection & reporting (results of the data collections subcommittee) - **41**
- 20. JOC - Expansion of the number of contracts; increase in the dollar amount of individual work orders - **42**